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**CERTIFIED PUBLIC ACCOUNTANTS**

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**B & B UNIFIED SCHOOL DISTRICT NO. 451**

**BAILEYVILLE, KANSAS**

**NEMAHA COUNTY, KANSAS**

**AUDIT REPORT JUNE 30, 2011**

*Prepared By*

**KICKHAEFER & ASSOCIATE, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**MARYSVILLE, KANSAS 66508**

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

SPECIAL FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

**FINANCIAL INFORMATION**

**KICKHAEFER & ASSOCIATE, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

Board of Education  
Unified School District No. 115  
Seneca, KS 66538

We have audited the accompanying financial statements of the Unified School District No. 451, Baileyville, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Unified School District No. 451, Baileyville, Kansas', management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

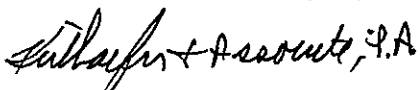
As described more fully in note 1.C, the Unified School District No. 451, Baileyville, Kansas, prepares its financial statements using accounting practices prescribed or permitted by the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 451, Baileyville, Kansas, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 451, Baileyville, Kansas, as of June 30, 2011, and its cash receipts, cash disbursements, and expenditures compared to budget, for the year then ended on the basis of accounting described in note 1.C.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in note 1.C.

This report is intended solely for the information and use of the Board of Education and management of Unified School District No. 451, Baileyville, Kansas, the Kansas Division of Accounts and Reports, the Kansas State Board of Education, and the Kansas Department of Health and Environment and is not intended to be and should not be used by anyone other than these specified parties.



Kickhaefer & Associate, P.A.  
Marysville, KS  
September 12, 2011

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAH COUNTY, KANSAS

STATEMENT 1  
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SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD		ENDING CASH BALANCE
						OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE		
GOVERNMENTAL TYPE FUNDS:								
GENERAL FUND	\$ (121,615.00)	\$ 0.00	\$ 1,688,566.94	\$ 1,638,272.94	\$ (71,321.00)	\$ 300.77	\$	(71,020.23)
SUPPLEMENTAL GENERAL	(10,165.14)	0.00	315,805.85	297,250.00	8,390.71	10,534.00		18,924.71
SPECIAL REVENUE FUNDS:								
CAPITAL OUTLAY	890,770.47	0.00	141.00	115,274.45	775,637.02	0.00		775,637.02
DRIVER TRAINING	21,824.41	0.00	2,006.00	3,390.27	20,440.14	0.00		20,440.14
FOOD SERVICE	33,680.15	0.00	113,942.85	119,186.66	28,436.34	0.00		28,436.34
PROFESSIONAL DEVELOPMENT	15,118.85	0.00	0.00	2,257.28	12,861.57	120.00		12,981.57
SPECIAL EDUCATION	66,364.73	0.00	141,698.14	151,651.54	56,412.33	0.00		56,412.33
VOCATIONAL EDUCATION	66,553.48	0.00	102,265.94	101,819.42	67,000.00	388.20		67,388.20
KPERS SPECIAL RETIREMENT FUND	0.00	0.00	74,867.97	74,867.97	0.00	0.00		0.00
AT RISK FUND (K-12)	29,404.13	0.00	42,955.16	42,359.29	30,000.00	0.00		30,000.00
TEXTBOOK RENTAL	60,253.97	0.00	5,136.00	4,613.75	60,776.22	0.00		60,776.22
CONTINGENCY RESERVE FUND	190,432.00	0.00	0.00	0.00	190,432.00	0.00		190,432.00
TITLE I - FY 11	0.00	0.00	22,435.00	22,435.00	0.00	0.00		0.00
TITLE II - A TEACHER QUALITY	0.00	0.00	10,993.00	10,993.00	0.00	0.00		0.00
TITLE II - D TECH EDUCATION	0.00	0.00	76.00	76.00	0.00	0.00		0.00
ACHIEVEMENT GRANT	0.00	0.00	39,811.16	39,811.16	0.00	0.00		0.00
CARL PERKINS	0.00	0.00	1,066.67	1,066.67	0.00	0.00		0.00
DISTRICT ACTIVITY FUNDS	46,016.22	0.00	51,402.17	47,879.31	49,539.08	0.00		49,539.08
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 1,288,638.27	\$ 0.00	\$ 2,613,170.85	\$ 2,673,204.71	\$ 1,228,604.41	\$ 11,342.97	\$	1,239,947.38

(CONT.)

B & B UNIFIED SCHOOL DISTRICT NO. 451  
 BAILEYVILLE, KANSAS  
 NEMAHA COUNTY, KANSAS

STATEMENT 2

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUND	CERTIFIED BUDGET	ADJUSTMENT TO COMPLY WITH		ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	TOTAL BUDGET FOR COMPARISON	EXPENDITURES CHARGEABLE TO CURRENT YEAR	VARIANCE - OVER (UNDER)
		LEGAL MAX					
GENERAL FUND	\$ 1,657,758.00	\$ (55,005.00)		\$ 35,520.46	\$ 1,638,273.46	\$ 1,638,272.94	\$ 0.52
SUPPLEMENTAL GENERAL	297,250.00	0.00		0.00	297,250.00	297,250.00	0.00
SPECIAL REVENUE FUNDS:							
CAPITAL OUTLAY	910,770.00	0.00		0.00	910,770.00	115,274.45	795,495.55
DRIVER TRAINING	22,734.00	0.00		0.00	22,734.00	3,390.27	19,343.73
FOOD SERVICE	156,470.00	0.00		0.00	156,470.00	119,186.66	37,283.34
PROFESSIONAL DEVELOPMENT	15,119.00	0.00		0.00	15,119.00	2,257.28	12,861.72
SPECIAL EDUCATION	216,365.00	0.00		0.00	216,365.00	151,651.54	64,713.46
VOCATIONAL EDUCATION	161,906.00	0.00		0.00	161,906.00	101,819.42	60,086.58
KPERS SPECIAL RETIREMENT FUND	107,742.00	0.00		0.00	107,742.00	74,867.97	32,874.03
AT RISK FUND (K-12)	52,104.00	0.00		0.00	52,104.00	42,359.29	9,744.71

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND</b>			
<b>CASH RECEIPTS</b>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2009	\$ 4,805.88	\$ 5,196.00	\$ (390.12)
-2010	340,271.41	308,036.00	32,235.41
DELINQUENT PROPERTY TAX	95.56	1,240.00	(1,144.44)
MINERAL TAX	47.63	0.00	47.63
<b>TOTAL TAXES AND SHARED REVENUE</b>	<u>345,220.48</u>	<u>314,472.00</u>	<u>30,748.48</u>
<b>STATE SOURCES--</b>			
GENERAL STATE AID	1,093,090.00	1,182,171.00	(89,081.00)
SPECIAL EDUCATION AID	128,351.00	129,714.00	(1,363.00)
<b>TOTAL STATE SOURCES</b>	<u>1,221,441.00</u>	<u>1,311,885.00</u>	<u>(90,444.00)</u>
<b>FEDERAL SOURCES--</b>			
ARRA STABILIZATION	31,401.00	31,401.00	0.00
EDUCATION JOBS GRANT	54,984.00	0.00	54,984.00
<b>TOTAL FEDERAL SOURCES</b>	<u>86,385.00</u>	<u>31,401.00</u>	<u>54,984.00</u>
<b>REIMBURSEMENTS</b>	<u>35,520.46</u>	<u>0.00</u>	<u>35,520.46</u>
<b>TOTAL CASH RECEIPTS</b>	<u>1,688,566.94</u>	<u>\$ 1,657,758.00</u>	<u>\$ 30,808.94</u>
<b>EXPENDITURES</b>			
<b>INSTRUCTION--</b>			
SALARIES	730,028.54	\$ 797,285.00	\$ 67,256.46
SALARIES - ARRA	31,401.00	0.00	(31,401.00)
SALARIES - EDUC. JOBS GRANT	54,984.00	0.00	(54,984.00)
EMPLOYEE BENEFITS	141,261.95	113,406.00	(27,855.95)
PURCHASED PROF. & TECH. SERVICES	9,260.78	6,000.00	(3,260.78)
OTHER PURCHASED SERVICES	26,617.59	16,900.00	(9,717.59)
SUPPLIES	5,267.65	1,532.00	(3,735.65)
PROPERTY (EQUIP. & FURN.)	0.00	595.00	595.00
OTHER	6,970.82	3,722.00	(3,248.82)
<b>TOTAL INSTRUCTION</b>	<u>1,005,792.33</u>	<u>939,440.00</u>	<u>(66,352.33)</u>
<b>STUDENT SUPPORT SERVICES--</b>			
SALARIES	8,275.00	18,994.00	10,719.00
EMPLOYEE BENEFITS	742.43	814.00	71.57
PURCHASED PROF. & TECH. SERVICES	0.00	1,439.00	1,439.00
SUPPLIES	0.00	284.00	284.00
PROPERTY (EQUIP. & FURN.)	199.95	0.00	(199.95)
<b>TOTAL STUDENT SUPPORT SERVICES</b>	<u>9,217.38</u>	<u>21,531.00</u>	<u>12,313.62</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>GENERAL FUND (CONT.)</b>			
<b>EXPENDITURES</b>			
STUDENT TRANSPORTATION SERVICES--			
SUPERVISION-EMPLOYEE BENEFITS	\$ 0.00	\$ 1,606.00	\$ 1,606.00
VEHICLE OPERATING - CONTRACTING OF BUS SERVICE	125,562.25	131,212.00	5,649.75
- INSURANCE	4,742.00	5,000.00	258.00
- FUEL	23,562.66	37,250.00	13,687.34
- OTHER	14,864.85	14,327.00	(537.85)
OTHER STUD. TRANS. SVCS. - PURCH. PROF. & TECH. SVC.	249.95	384.00	134.05
- OTHER PURCH. SERVICES	662.36	417.00	(245.36)
<b>TOTAL STUDENT TRANSPORTATION SERVICES</b>	<u>169,644.07</u>	<u>190,196.00</u>	<u>20,551.93</u>
<b>OTHER SUPPLEMENTAL SERVICE--</b>			
SALARIES	35,833.74	35,733.00	(100.74)
EMPLOYEE BENEFITS	8,929.91	4,194.00	(4,735.91)
PURCHASED PROF. & TECH. SERVICES	3,310.00	0.00	(3,310.00)
OTHER PURCHASED SERVICES	823.46	86.00	(737.46)
SUPPLIES	607.14	259.00	(348.14)
<b>TOTAL OTHER SUPPLEMENTAL SERVICE</b>	<u>49,504.25</u>	<u>40,272.00</u>	<u>(9,232.25)</u>
<b>OPERATING TRANSFERS--</b>			
SPECIAL EDUCATION	140,908.62	130,000.00	(10,908.62)
VOCATIONAL EDUCATION	0.00	46,103.00	46,103.00
AT RISK (K-12)	15,000.00	0.00	(15,000.00)
<b>TOTAL TRANSFERS</b>	<u>155,908.62</u>	<u>176,103.00</u>	<u>20,194.38</u>
<b>ADJUSTMENT TO COMPLY WITH LEGAL MAX</b>	<u>0.00</u>	<u>(55,005.00)</u>	<u>(55,005.00)</u>
<b>LEGAL GENERAL FUND BUDGET</b>	<u>1,638,272.94</u>	<u>1,602,753.00</u>	<u>(35,519.94)</u>
<b>ADJUSTMENT FOR QUALIFYING BUDGET CREDITS</b>	<u>0.00</u>	<u>35,520.46</u>	<u>35,520.46</u>
<b>TOTAL EXPENDITURES</b>	<u>1,638,272.94</u>	<u>\$ 1,638,273.46</u>	<u>\$ 0.52</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	50,294.00		
<b>UNENCUMBERED CASH, JULY 1, 2010</b>	<u>(121,615.00)</u>		
<b>UNENCUMBERED CASH, JUNE 30, 2011</b>	<u>\$ (71,321.00)</u>		



B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>CAPITAL OUTLAY FUND</b>			
<u>CASH RECEIPTS</u>			
INTEREST INCOME	\$ 0.00	\$ 20,000.00	\$ (20,000.00)
OTHER INCOME	141.00	0.00	141.00
<b>TOTAL CASH RECEIPTS</b>	<u>141.00</u>	<u>20,000.00</u>	<u>(19,859.00)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - PROPERTY (EQUIP. & FURN.)	901.44	\$ 431,845.00	\$ 430,943.56
OPERATIONS & MAINTENANCE - PURCH. PROP. SVCS	100,764.00	0.00	(100,764.00)
- PROP. (EQUIP. & FURN.)	8,374.43	77,970.00	69,595.57
FACILITY ACQUISITION & CONSTRUCTION SERVICES			
- PROP. (EQUIP. & FURN.)	5,234.58	0.00	(5,234.58)
- NEW BUILDING ACQ. & CONSTRUCTION	0.00	300,000.00	300,000.00
- SITE IMPROVEMENT	0.00	100,955.00	100,955.00
<b>TOTAL EXPENDITURES</b>	<u>115,274.45</u>	<u>\$ 910,770.00</u>	<u>\$ 795,495.55</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(115,133.45)		
UNENCUMBERED CASH, JULY 1, 2010	<u>890,770.47</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 775,637.02</u>		
 <b>DRIVER TRAINING FUND</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 1,406.00	\$ 910.00	\$ 496.00
OTHER INCOME	600.00	0.00	600.00
<b>TOTAL CASH RECEIPTS</b>	<u>2,006.00</u>	<u>\$ 910.00</u>	<u>\$ 1,096.00</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	2,243.36	\$ 4,050.00	\$ 1,806.64
- EMPLOYEE BENEFITS	173.86	273.00	99.14
- SUPPLIES	0.00	35.00	35.00
- PROPERTY (EQUIP. & FURN.)	0.00	17,876.00	17,876.00
OPERATIONS & MAINTENANCE			
- MOTOR FUEL	973.05	500.00	(473.05)
<b>TOTAL EXPENDITURES</b>	<u>3,390.27</u>	<u>\$ 22,734.00</u>	<u>\$ 19,343.73</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,384.27)		
UNENCUMBERED CASH, JULY 1, 2010	<u>21,824.41</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 20,440.14</u>		

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAH COUNTY, KANSAS

STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>PROFESSIONAL DEVELOPMENT FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL CASH RECEIPTS</b>	<u>0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<u>EXPENDITURES</u>			
INSTR. SUPPORT - SALARIES	75.00	\$ 0.00	\$ (75.00)
- EMPLOYEE BENEFITS	17.45	0.00	(17.45)
- PURCHASED PROF. & TECH. SERVICES	125.00	7,631.00	7,506.00
- OTHER PURCHASED SERVICES	2,039.83	1,500.00	(539.83)
- SUPPLIES	0.00	3,000.00	3,000.00
- OTHER	0.00	2,988.00	2,988.00
<b>TOTAL EXPENDITURES</b>	<u>2,257.28</u>	<u>\$ 15,119.00</u>	<u>\$ 12,861.72</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(2,257.28)		
UNENCUMBERED CASH, JULY 1, 2010	<u>15,118.85</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 12,861.57</u>		
<b>SPECIAL EDUCATION FUND</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 140,908.62	\$ 130,000.00	\$ 10,908.62
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	0.00	20,000.00	(20,000.00)
OTHER INCOME	790.52	0.00	790.52
<b>TOTAL CASH RECEIPTS</b>	<u>141,699.14</u>	<u>\$ 150,000.00</u>	<u>\$ (8,300.86)</u>
<u>EXPENDITURES</u>			
INSTRUCTION - OTHER PURCH. SERV. - PYMT TO COOP	151,651.54	\$ 213,865.00	\$ 62,213.46
VEHICLE OPER. - CONTRACTING OF BUS SERVICE	0.00	2,500.00	2,500.00
<b>TOTAL EXPENDITURES</b>	<u>151,651.54</u>	<u>\$ 216,365.00</u>	<u>\$ 64,713.46</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(9,952.40)		
UNENCUMBERED CASH, JULY 1, 2010	<u>66,364.73</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 56,412.33</u>		

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAH COUNTY, KANSAS

STATEMENT 3  
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>AT RISK FUND (K-12)</b>			
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 15,000.00	\$ 29,000.00	\$ (14,000.00)
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	27,955.16	0.00	27,955.16
<b>TOTAL CASH RECEIPTS</b>	<u>42,955.16</u>	<u>\$ 29,000.00</u>	<u>\$ 13,955.16</u>
<u>EXPENDITURES</u>			
INSTRUCTION - SALARIES	34,424.73	\$ 41,219.00	\$ 6,794.27
- EMPLOYEE BENEFITS	7,934.56	8,000.00	65.44
- SUPPLIES	0.00	2,885.00	2,885.00
<b>TOTAL EXPENDITURES</b>	<u>42,359.29</u>	<u>\$ 52,104.00</u>	<u>\$ 9,744.71</u>
RECEIPTS OVER (UNDER) EXPENDITURES	595.87		
UNENCUMBERED CASH, JULY 1, 2010	<u>29,404.13</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 30,000.00</u>		
 <b>TEXTBOOK RENTAL FUND</b>			
<u>CASH RECEIPTS</u>			
TEXTBOOK RENTALS	\$ 4,930.00		
STUDENT REVOLVING-MISC. REIMBURSEMENTS	206.00		
<b>TOTAL CASH RECEIPTS</b>	<u>5,136.00</u>		
<u>EXPENDITURES</u>			
TEXTBOOKS	4,406.66		
STUDENT MATERIALS AND SUPPLIES	207.09		
<b>TOTAL EXPENDITURES</b>	<u>4,613.75</u>		
RECEIPTS OVER (UNDER) EXPENDITURES	522.25		
UNENCUMBERED CASH, JULY 1, 2010	<u>60,253.97</u>		
UNENCUMBERED CASH, JUNE 30, 2011	<u>\$ 60,776.22</u>		

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

STATEMENT 3  
PAGE 11 OF 12

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	10-11 ACTUAL	10-11 BUDGET	VARIANCE - OVER (UNDER)
<b>TITLE II - A TEACHER QUALITY</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 10,993.00		
<u>EXPENDITURES</u>			
SALARIES	9,216.23		
EMPLOYEE BENEFITS	1,162.72		
PURCHASED PROF. & TECH. SERVICES	296.90		
OTHER PURCH. SERVICES	273.17		
SUPPLIES	43.98		
TOTAL EXPENDITURES	10,993.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		
 <b>TITLE II - D TECH EDUCATION</b>			
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 76.00		
<u>EXPENDITURES</u>			
SALARIES	76.00		
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2010	0.00		
UNENCUMBERED CASH, JUNE 30, 2011	\$ 0.00		

B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

STATEMENT 4

AGENCY FUNDS  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<b>AGENCY FUNDS</b>	<u>BEGINNING CASH BALANCE</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>ENDING CASH BALANCE</u>
<b>STUDENT ORGANIZATION FUNDS</b>				
B & B JUNIOR AND SENIOR HIGH:				
CLASS OF 11	\$ 6,886.87	\$ 16,148.21	\$ 23,035.08	\$ 0.00
CLASS OF 12	3,934.44	9,962.52	7,324.58	6,572.38
CLASS OF 13	1,186.54	6,574.84	3,939.20	3,822.18
CLASS OF 14	0.00	6,964.86	5,145.22	1,819.64
FBLA	1,295.86	7,797.74	9,093.60	0.00
FCCLA	1,035.02	1,686.49	947.81	1,773.70
JUNIOR HIGH	51.79	0.38	0.00	52.17
PEP CLUB	766.49	7,760.17	7,729.81	796.85
STUDENT COUNCIL	1,204.82	12,537.78	12,299.45	1,443.15
YEARBOOK CLUB	1,924.53	4,878.54	2,057.68	4,745.39
<b>SUBTOTAL STUDENT ORGANIZATION FUNDS</b>	<u>18,286.36</u>	<u>74,311.53</u>	<u>71,572.43</u>	<u>21,025.46</u>
 <b>PAYROLL CLEARING</b>				
PAYROLL CLEARING - HEALTH INSURANCE	<u>977.48</u>	<u>28,226.23</u>	<u>29,203.71</u>	<u>0.00</u>
 <b>TOTAL AGENCY FUNDS</b>	<u>\$ 19,263.84</u>	<u>\$ 102,537.76</u>	<u>\$ 100,776.14</u>	<u>\$ 21,025.46</u>

B & B UNIFIED SCHOOL DISTRICT NO. 451  
 BAILEYVILLE, KANSAS  
 NEMAH COUNTY, KANSAS

STATEMENT 5

DISTRICT ACTIVITY FUNDS  
 STATEMENT OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GATE RECEIPTS FUNDS							
B & B JUNIOR AND SENIOR HIGH:							
ATHLETICS	\$ 44,991.14	\$ 0.00	\$ 47,558.38	\$ 43,864.94	\$ 48,684.58	\$ 0.00	\$ 48,684.58
SCHOOL PROJECT FUNDS							
DONATIONS	17.47	0.00	3,157.00	3,174.47	0.00	0.00	0.00
SCHOLARS' BOWL	1,007.61	0.00	686.79	839.90	854.50	0.00	854.50
TOTAL SCHOOL PROJECT FUNDS	1,025.08	0.00	3,843.79	4,014.37	854.50	0.00	854.50
TOTAL DISTRICT ACTIVITY FUNDS	\$ 46,016.22	\$ 0.00	\$ 51,402.17	\$ 47,879.31	\$ 49,539.08	\$ 0.00	\$ 49,539.08

UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Unified School District No. 451 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 451 (the primary government). The district has no component units.

B. Fund accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts—recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the district for the fiscal year 2011:

Governmental funds

General fund--to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds--to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Fiduciary funds

Trust and agency funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Textbook Rental, Contingency Reserve and all federal programs and grant funds. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.



UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

2. DEPOSITS AND INVESTMENTS (cont.)

concentration of credit risk. Of the bank balance, \$258,079.81 was covered by FDIC insurance and \$1,163,955.53 was collateralized with securities held by the pledging financial institution's agent in the district's name.

Custodial credit risk – investments. At year-end the district had no investments.

3. LONG-TERM DEBT

The school district leases buildings from the Sacred Heart Parish and the St. Mary's Parish. The lease amounts for 2010-11 were \$31,520.00 to Sacred Heart Parish and \$45,950.00 to St. Mary's Parish.

The district has no outstanding long-term debt at year-end.

4. INTERFUND TRANSFERS

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	140,908.62
General Fund	At Risk Fund	K.S.A. 72-6428	15,000.00
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	47,184.47
Supplemental General Fund	At Risk Fund	K.S.A. 72-6433	27,955.16
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	78,151.31

5. DEFINED BENEFIT PENSION PLAN

Plan description. The Unified School District No. 451, Baileyville, Kansas, participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issue a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS

UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

8. COMPENSATED ABSENCES (cont.)

leave accumulative to 60 days. The superintendent is allowed 15 days sick leave accumulative to 60 days and three weeks annual leave. The high school secretary is allowed one sick day per month of employment accumulative to 15 days and one personal day. The District has a sick leave pool comprised of donated days from employees to be used in cases where a critical illness or severe injury would impose a devastating hardship. The amount of leave in the pool for certified employees will not exceed 120 days at any one time.

The amount of leave in the pool for non-certified employees will not exceed 50 days at any one time. The U.S.D. treasurer and contracted bus transportation have no leave allowances.

According to KPERS guidelines upon retirement, death, or disability the teachers or their beneficiaries shall be reimbursed for unused leave in the amount of \$35.00 per day up to a maximum of \$700.00.

Liability for compensated absences is not reflected in the financial statements.

9. COMMITMENTS AND CONTINGENCIES

Litigation As of the audit date, there is no pending or threatened litigation which involves the Unified School District No. 451.

Grant program involvement In the normal course of operations, the District participates in various Federal or State grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Final fiscal year The Boards of Education of Unified School District No. 451 B&B and Unified School District No. 442 Nemaha Valley filed with the State Board of Education an agreement to Consolidate said districts. After voter approval for the consolidation was obtained on November 2, 2010, the State Board of Education, in accordance with K.S.A. 72-8705, entered an Order organizing consolidated Unified School District No. 115, Nemaha County, Kansas, that directs the consolidation to be effective on July 1, 2011.

10. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Finance-Related Legal and Contractual Provisions

K.S.A. 75-3317 through 75-3322 requires school districts to purchase products from Kansas industries for the blind and severely disabled if they so offer the products. During the fiscal year under audit, the school district did purchase \$9,801.19 from these industries. Numerous products, including janitorial and office supplies, are manufactured and offered by Kansans who are blind and severely disabled. The district does



B & B UNIFIED SCHOOL DISTRICT NO. 451  
BAILEYVILLE, KANSAS  
NEMAHA COUNTY, KANSAS

**SUPPLEMENTAL INFORMATION**

B & B UNIFIED SCHOOL DISTRICT NO. 451  
 BAILEYVILLE, KANSAS  
 NEMAH COUNTY, KANSAS

SCHEDULE 1

COMPARISON OF DEPOSITORY SECURITY WITH FUNDS ON DEPOSIT  
JUNE 30, 2011

	F.D.I.C. COVERAGE	SECURITY PLEDGED		TOTAL COVERAGE	FUNDS ON DEPOSIT 06-30-11	FUNDS AT RISK 06-30-11
		PAR VALUE	MARKET VALUE			
<u>BANK</u>						
BAILEYVILLE STATE BANK, SENECA, KANSAS--						
DEMAND DEPOSITS	\$ 8,079.81			\$	8,079.81	
TIME DEPOSITS	250,000.00				1,413,955.53	
TOTALS	\$ 258,079.81	\$ 1,689,837.55	\$ 1,767,936.79	\$ 2,026,016.60	\$ 1,422,035.34	\$ 0.00